



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 03/28/06
AGENDA ITEM 3
WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Water Pollution Control Facility Improvement Project Phase I State Revolving Fund Loan: Revised Authorization for the City Manager to Execute Loan Agreement

RECOMMENDATION:

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute an agreement for a State Water Resources Control Board (SWRCB) Revolving Fund Loan in the approximate amount of \$54,550,000 for construction of the Water Pollution Control Facility (WPCF) Phase I Improvement Project.

DISCUSSION:

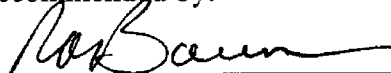
As the City Council is aware, the staff has been successful in obtaining the SWRCB's approval of a State Revolving Fund loan to finance the WPCF Improvement Project. However, when the City Council last authorized the filing of the loan application, the cost estimate for construction was considerably lower than the final bid, and the anticipated loan amount was \$33,000,000. The construction contract was awarded in September 2005 in the amount of \$48,770,000, significantly higher than the estimates. The eligible loan amount was adjusted to just over \$54,550,000 to reflect this increased construction cost and appropriate allowances for design and construction management.

In order for the City to enter into an agreement with the State for the eligible loan, it is necessary for City Council to adopt a new resolution authorizing the City Manager to execute the agreement for the new amount. The attached resolution has been prepared to comply with this requirement.


Prepared by:


Alex Ameri, Deputy Director of Public Works

Recommended by:


Robert Bauman, Director of Public Works

Approved by:


Jesús Armas, City Manager

